

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:
THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth.**

**SUPPLEMENT TO REPLY OF THE COMMONWEALTH OF PUERTO RICO
TO RESPONSES FILED TO SIXTY-FOURTH OMNIBUS OBJECTION
(SUBSTANTIVE) TO CLAIMS BASED ON INVESTMENTS IN MUTUAL FUNDS**

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the representative of the Commonwealth pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² file this supplement (the “Supplement”) to the *Omnibus*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5532-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

Reply of the Commonwealth of Puerto Rico to Responses Filed to Sixty-Fourth Omnibus Objection (Substantive) To Claims Based on Investments in Mutual Funds [ECF No. 8608] (the “Reply”). In support of this Supplement, the Commonwealth respectfully represents as follows:

1. At the September 11, 2019 omnibus hearing (the “Hearing”), the Court heard argument regarding the *Sixty-Fourth Omnibus Objection (Substantive) To Claims Based on Investments in Mutual Funds* [ECF No. 8297] (the “Sixty-Fourth Omnibus Objection”) and several responses thereto, including the *Response to Debtor’s Objection to Claims* (the “Librada Sanz Response”), dated August 27, 2019 [ECF No. 8555], filed by Jesus Librada Sanz (“Librada Sanz”). At the Hearing, the Court requested additional assurance that “there was a match between his claimed CUSIP number and the Master Proof of Claim.” Hr’g. Trans. 65:3-65:5.

2. As detailed in the Reply, Librada Sanz filed a proof of claim against the Commonwealth on June 7, 2018, and it was logged by Prime Clerk as Proof of Claim No. 61126 (the “Librada Sanz Claim”). The Librada Sanz Response provided documentation regarding bonds issued by ERS bearing CUSIP number 29216MBL3. Librada Sanz Resp., Ex. 1 at 1.

3. The bond bearing CUSIP number 29216MBL3 is an ERS Series C bond.³ That CUSIP number is associated with a master proof of claim filed by The Bank of New York Mellon (“BNYM”), as fiscal agent under the Pension Funding Bond Resolution adopted on January 24, 2008, which was logged by Prime Clerk as Proof of Claim No. 32004 (the “ERS Master Claim,” attached hereto as Exhibit A). ERS issued three series of senior pension funding bonds through supplemental resolutions, including ERS Series C bonds. *See* Addendum to ERS Master Claim at 2; Exhibit D to ERS Master Claim, *Third Supplemental Pension Funding Bond Resolution authorizing Senior Pension Funding Bonds Series C*. The ERS Master Claim was filed to preserve

³ See <https://emma.msrb.org/IssueView/Details/MS68784>.

“any and all claims, causes of actions, rights, and/or remedies that the Fiscal Agent or the Owners” of bonds issued by ERS, including owners of ERS Series C bonds, may have against the Commonwealth. *See* Addendum to ERS Master Claim at 4.

4. Accordingly, and as discussed at the Hearing, the Librada Sanz Claim asserts liabilities associated with a Series C bond issued by ERS and is duplicative of the ERS Master Claim. Any failure to disallow the Librada Sanz Claim will result in Librada Sanz potentially receiving an unwarranted double recovery against ERS, to the detriment of other stakeholders in the ERS Title III Case. Moreover, Librada Sanz will not be prejudiced by the disallowance of the Librada Sanz Claim because the liabilities associated with the Librada Sanz Claim are subsumed within an ERS Master Claim.

Dated: October 22, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Herman D. Bauer

Hermann D. Bauer
USDC No. 215205
O’NEILL & BORGES LLC
250 Muñoz Rivera Ave., Suite 800
San Juan, PR 00918-1813
Tel: (787) 764-8181
Fax: (787) 753-8944

/s/ Martin J. Bienenstock
Martin J. Bienenstock (*pro hac vice*)
Brian S. Rosen (*pro hac vice*)

PROSKAUER ROSE LLP
Eleven Times Square
New York, NY 10036
Tel: (212) 969-3000
Fax: (212) 969-2900

*Attorneys for the Financial Oversight and
Management Board for Puerto Rico, as
representative for the Commonwealth of
Puerto Rico*